

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6872**

**BILL NUMBER:** HB 1481

**NOTE PREPARED:** Feb 19, 2007

**BILL AMENDED:** Feb 15, 2007

**SUBJECT:** Punitive Damage Awards.

**FIRST AUTHOR:** Rep. Kuzman

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) The bill provides that contracted attorney fees and reasonable costs are to be paid out of a punitive damage award. The bill also requires: (1) 75% of the remainder of a punitive damage award to be paid to the person to whom the damages were awarded; and (2) 25% of the remainder of the award to be deposited in the Violent Crime Victims Compensation Fund. The bill makes technical corrections. (Current law requires: (1) 25% of a punitive damage award to be paid to the person to whom the damages were awarded; and (2) 75% of the award to be deposited in the Violent Crime Victims Compensation Fund.)

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) This bill could result in a decrease in funds deposited in the Violent Crime Victims Compensation Fund (VCVC Fund). The bill provides that contracted attorney fees and reasonable costs are to be paid out of a punitive damage award. The bill then requires: (1) 75% of the remainder of a punitive damage award to be paid to the person to whom the damages were awarded; and (2) 25% of the remainder of the award to be deposited in the VCVC Fund.

Under current law punitive damages are deposited 25% to the person awarded the damages, and 75% to the VCVC Fund. The balance as of January 12, 2007 was approximately \$423,000. This fund is non-reverting, so the portion of money currently in the VCVC Fund which was deposited from punitive damage awards is indeterminable. The Criminal Justice Institute, who administers this fund, reports that there have been no punitive damage awards deposited in the VCVC Fund since January 1, 2005. The VCVC Fund receives funds

from a variety of sources in statute including a distribution of court fees under IC 33-37-7-9. The money in the VCVC Fund is used to provide awards to violent crime victims as set forth in IC 5-2-6.1. Some examples of the uses of these funds includes payment of a victim's funeral expenses, payment of certain medical expenses incurred by a victim, and support payments for a victim's dependents.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Criminal Justice Institute.

**Local Agencies Affected:**

**Information Sources:** Sarah Meyer, 317-232-1259, Criminal Justice Institute.

**Fiscal Analyst:** Adam Brown, 317-232-9854.